



JOHN NAIMO  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe

FROM: John Naimo   
Auditor-Controller

SUBJECT: **QUARTERLY REPORT ON IMPACT OF HEALTH CARE REFORM ON  
COUNTY CASH FLOWS (Board Agenda Item 36-A, June 25, 2013)**

On June 25, 2013, your Board instructed the Auditor-Controller to report quarterly on the impact of health care reform on the County's cash flows and the Department of Health Services' (DHS) financial performance. This report is for the quarter ended December 31, 2014, and the end of this quarter marks the first full year of the Affordable Care Act.

We continue to closely monitor General Fund cash advances to the Hospital Funds. As of December 31, 2014, such advances were \$1.065 billion. By comparison, the cash advances as of December 31, 2013 were \$1.081 billion. Cash advances to the Hospital Funds are necessary due to the large amount of patient accounts receivable pending collection. Although the advances are manageable within the General Fund's overall cash flows, we work regularly with DHS to monitor Hospital accounts receivable and ensure that all efforts are made to collect amounts due to the County as soon as possible.

If you have any questions, please contact me, or your staff may call Connie Yee at (213) 974-8321.

JN:RGC:CY

c: Sachi A. Hamai, Interim Chief Executive Officer  
Patrick Ogawa, Acting Executive Officer, Board of Supervisors  
Mitchell H. Katz, M.D., Director, Department of Health Services  
Joseph Kelly, Treasurer and Tax Collector  
Audit Committee  
Public Information Office